

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

Producers 88 (4-89) — Paid Up  
With 640 Acres Pooling Provision  
STANDARD LEASE W/ OPTION v.5

**PAID UP OIL AND GAS LEASE  
(No Surface Use)**

THIS LEASE AGREEMENT is made this 24 day of July, 2004, by and between ALL-PRO FASTENERS, INC., a Texas corporation, 1916 Peyco Drive North, Arlington, Texas 76001, as Lessor, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

2.543 ACRES OF LAND, MORE OR LESS, BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND OUT OF THE WM. M. WARNEll SURVEY, ABSTRACT NO. 1612 AND THE TEMPLE O. HARRIS SURVEY, ABSTRACT NO. 645, BEING ALL THAT CERTAIN TRACT OF LAND AS CONVEYED TO LESSOR FROM PAUL E. YARBROUGH, JR., BY DEED AS RECORDED IN VOLUME 7030, PAGE 632, DEED RECORDS OF TARRANT COUNTY, TEXAS.

in the County of Tarrant, State of Texas, containing 2.543 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be 25% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be 25% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in 1916 Peyco Drive North, Arlington, Texas 76001 or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 30 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross

completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to all, but not a portion, of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released.

10. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

11. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

12. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 30 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period.

13. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

14. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

15. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of two years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease.

16. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.  
**DISCLAIMER OF REPRESENTATIONS:** Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

**LESSOR (WHETHER ONE OR MORE)**

ALL-PRO FASTENERS, INC.,  
a Texas corporation

by:   
Kim E. Shelton, vice-president

**ACKNOWLEDGMENT**

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

**ACKNOWLEDGMENT**

STATE OF TEXAS

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

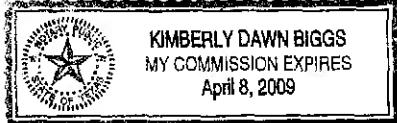
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

**CORPORATE ACKNOWLEDGMENT**

STATE OF TEXAS

COUNTY OF Denton

This instrument was acknowledged before me on the 24th day of July, 2008, by Kim E. Shelton, vice-president of All-Pro fasteners, Inc., a Texas corporation, on behalf of said corporation.



Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

## **ADDENDUM TO NO SURFACE USE OIL AND GAS LEASE**

This addendum is attached to and made part of that no surface use oil and gas lease (the "**Lease**") between ALL-PRO FASTENERS, INC., a Texas corporation ("**Lessor**"), and DALE PROPERTY SERVICES, L.L.C., a Texas limited liability company ("**Lessee**"), dated July 24<sup>th</sup>, 2008. **If any of the following provisions conflict with or are inconsistent with any of the printed provisions of the Lease, it is the parties' specific intent that the following provisions shall control.**

### I. NO COST ROYALTY

The royalty paid under this Lease shall be 25 percent. Lessor's royalty will never bear, either directly or indirectly, any part of the costs or expenses of production, separation, gathering, dehydration, compression, transportation, trucking, processing, treatment, storage, or marketing of the oil or gas produced from the leased premises or any part of the costs of construction, operation, or depreciation of any plant or other facilities or equipment used in the producing, handling of oil or gas produced from the leased premises, processing, or treating; provided, however, Lessor's royalty shall bear its proportionate share of all ad valorem taxes and production, severance and other taxes and the actual, reasonable costs (including compression and related fuel charges) paid to or deducted by a third party to transport, compress, stabilize, process or treat the oil, gas and other mineral production off the leased premises in order to make the oil, gas and other mineral production saleable, increase its value or in order to get the oil, gas and other mineral production to a market. It is the intent of the parties that the foregoing provisions of this addendum are to be fully enforceable and effective and are not to be considered as "surplusage" under the principles set forth in *Heritage Resources v. NationsBank*, 939 S.W.2d. 118 (1997).

If, after the point at which the oil, gas, or other minerals produced from the leased premises are delivered to a third party that is not an affiliate of Lessee ("**Third Party**") and that Third Party compresses, transports, processes, or treats oil, gas, or other minerals produced from said land, Lessor's royalty will bear its proportionate share of costs and expenses associated with such activities occurring after the gas is delivered to the Third Party, but the amount deducted for compression, transportation, processing, and treatment shall not exceed the amount that would be deducted from the Lessor's royalty for the same services under similar circumstances in an arms-length transaction between unaffiliated parties. If Lessee, or an affiliate of Lessee, constructs a gathering or pipeline system which delivers gas produced from the leased premises to a delivery point on a pipeline system owned by a Third Party (a "**Third Party Point of Delivery**") and if the line built by Lessee or Lessee's

affiliate ceases to be owned by Lessee or an entity considered to be an affiliate of Lessee, Lessor's royalty shall never be charged with costs and expenses associated with the foregoing described activities incurred prior to the time the gas is delivered to the Third Party Point of Delivery.

## II. RESERVED STRATA

Lessor specifically excepts and reserves from the leased premises those strata within 300 feet of the surface. It is also expressly agreed and understood that at the end of the primary term of the Lease or the expiration of the operations, additional drilling, reworking and continuous development provisions of this Lease, whichever is later, this Lease shall terminate as to all depths 100 feet below the stratigraphic equivalent of the base of the "Barnett Shale" horizon as identified through well logs.

## III. ALL IN POOLING

Lessee agrees to include all, and not a portion, of the leased premises in any unit formed for pooling purposes, and shall not include any fractional portion of the leased premises without the prior written consent of Lessor. The size of the pooling unit shall not exceed the minimum size necessary to obtain the maximum production allowable. The size of the pooling unit shall be 320 acres plus a maximum acreage tolerance of 10% or less.

## IV. SHUT-IN ROYALTIES

If Lessee discovers gas capable of being produced in paying quantities in any well drilled on the leased premises or on land pooled with the leased premises, and should Lessee be unable to produce such well because of lack of market or marketing facilities or governmental restrictions, and should there be neither, other current production in paying quantities of oil, gas, or other hydrocarbon substances from the leased premises, nor operations sufficient to keep this lease in force, Lessee may at any time or times during or after the primary term at Lessee's election, pay as royalty ("shut-in gas well payment") a sum equal to \$25 per acre, annually, of the leased premises. While shut-in royalty payments are timely and properly paid, this lease will be held as a producing lease; provided, however, this Lease shall never terminate due to Lessee's failure to timely pay shut-in royalties unless Lessor notifies Lessee in writing of such failure and Lessee fails to cure such failure within 60 days after receipt of such notice. The right of Lessee to maintain this Lease in force by payment of shut-in gas royalty is limited to a period of two consecutive years and no more than three cumulative years over the life of the Lease. The payment or tender of royalty under this paragraph may be made by the check

of Lessee mailed or delivered to the parties entitled to payment on or before the due date.

#### V. OPERATIONS AT END OF TERM

If, at the expiration of the primary term, Lessee is conducting operations for drilling ("operations" being the penetration of the surface with a drilling rig capable of drilling to the anticipated total depth of the well), this Lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than 60 days, and if production is discovered, this Lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the primary term, there is a total cessation of all production, for any cause (subject to the *force majeure* provisions), this Lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production, within 60 days after such cessation.

#### VI. LESSEE'S INSURANCE

At all times while this Lease is in force, Lessee shall acquire and maintain insurance covering all of its operations on the leased premises, including any work performed on its behalf by contractors, subcontractors, and others. The policies shall include coverage for comprehensive general liability, for bodily injury and property damage, blowout and loss of well coverage, and coverage for any damage to the environment, including coverage for the cost of clean up and surface remediation. The coverage shall be in the minimum amount of \$5,000,000. Upon written request, Lessee shall furnish a certificate from the issuing insurance company or companies evidencing the coverage.

#### VII. INDEMNIFICATION

LESSEE AGREES TO INDEMNIFY AND HOLD HARMLESS LESSOR, AND LESSOR'S REPRESENTATIVES, EMPLOYEES, TRUSTEES, VOLUNTEERS, AGENTS, SUCCESSORS, AND ASSIGNS, AGAINST ALL EXPENSES, CLAIMS, DEMANDS, LIABILITIES, AND CAUSES OF ACTION OF ANY NATURE FOR INJURY TO OR DEATH OF PERSONS AND LOSS OR DAMAGE TO PROPERTY, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, EXPERT FEES, AND COURT COSTS, CAUSED BY, OR RESULTING FROM, LESSEE'S OPERATIONS ON THE LEASED PREMISES OR LESSEE'S MARKETING OF PRODUCTION FROM THE LEASED PREMISES, OR ANY VIOLATION OF ANY ENVIRONMENTAL REQUIREMENTS BY LESSEE. AS USED IN THIS PARAGRAPH, THE TERM "LESSEE" INCLUDES LESSEE, ITS

AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS, AND ANY OTHER PERSON ACTING UNDER ITS DIRECTION AND CONTROL, AND ITS INDEPENDENT CONTRACTORS. AS USED IN THIS PARAGRAPH, THE TERM "LEASED PREMISES" INCLUDES THE LAND COVERED BY THE LEASE OR ANY LANDS POOLED WITH THE LEASED PREMISES. LESSEE'S INDEMNITY OBLIGATIONS SURVIVE THE TERMINATION OF THIS LEASE.

### VIII. FORCE MAJEURE

Should Lessee be prevented by reason of "*Force Majeure*" (as defined below) from complying with any express or implied covenant of this Lease (other than a requirement to pay money that has already accrued and is due), from conducting drilling or reworking operations under the Lease, or from producing oil or gas, then while so prevented, that covenant will be suspended; Lessee will not be liable for damages for failure to comply with the Lease; this Lease will be extended so long as Lessee is prevented from conducting drilling or reworking operations on or from producing oil or gas from the leased premises; and the time while Lessee is so prevented will not be counted against Lessee. "**Force Majeure**" means any act of God, riot, war, insurrection, strike, any federal or state law, or any rule or regulation of governmental authority; financial reasons or shortage of equipment shall not be considered Force Majeure. This paragraph is, however, in all things subject to the limitations of time during which this Lease may be continued in force by the payment of shut-in gas royalties. This Lease may be extended by reason of *Force Majeure* for no more than two cumulative years.

### IX. ASSIGNMENT

Lessee shall notify Lessor of any assignment or sublease of this Lease, other than assignments made to Chesapeake Exploration LLC, its agents, directors, officers or subsidiaries, and all assignees or sublessee shall be subject to all of Lessee's obligations under this Lease. Lessor shall notify Lessee of any assignment of Lessor's interest in the land covered by the Lease.

### X. NO WARRANTY OF TITLE

Lessor makes no warranty of any kind with respect to title to the leased premises. By acceptance of this Lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the leased premises, and Lessee assumes all risk of title failures. If Lessor owns an interest in the leased premises that is less than the entire mineral interest under the leased premises, then the

royalties and shut-in payments payable under the lease will be reduced proportionately.

## XI. NO OBLIGATIONS

Lessor shall have no obligation to act or support any variance, waiver, or other relief sought by Lessee from any law, rule, regulation, or order applicable to the leased premises.

## XII. NOTICE OF BREACH

In the event Lessor considers that Lessee has failed to comply with any obligation imposed by the Lease, express or implied, Lessor shall notify Lessee in writing, specifying in what respect Lessor claims Lessee has breached this Lease. If, within 60 days after the receipt of such notice, Lessee shall meet the breach alleged by Lessor, Lessee shall not be deemed to be in default of the Lease. If Lessee fails to meet the specified obligations and/or conditions of the Lease within said 60-day notice period, Lessor shall have the exclusive right to terminate the Lease and pursue all available remedies.

## XIII. RELEASE

Lessee may at any time and from time-to-time execute and deliver to Lessor or file for record a release or releases of this Lease as to all, but not part, of said land or any mineral or horizon under the Lease, and thereby be relieved of all obligations incurred *after* such release, unless Lessee is restricted from surrendering the Lease by the terms of a pooling agreement governing the land covered by this Lease.

## XIV. RELEASE UPON EXPIRATION

In the event that this Lease expires or terminates for any reason, Lessee shall, within 45 days after such expiration, furnish Lessor with a written, recordable release covering the leased premises.

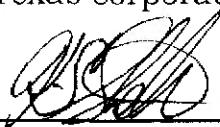
## XV. PERFORMANCE

Lessee's obligations to pay money under this Lease are to be performed in Tarrant County, Texas.

LESSOR:

LESSOR:

ALL-PRO FASTENERS, INC.,  
a Texas corporation

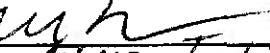
by: 

Kim E. Shelton, vice-president

LESSEE:

LESSEE:

DALE PROPERTY SERVICES, L.L.C.,  
a Texas limited liability company

by: 

name: Mike Talia Ferro

title: Vice President operations

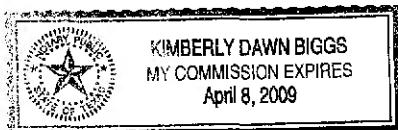
STATE OF TEXAS                §

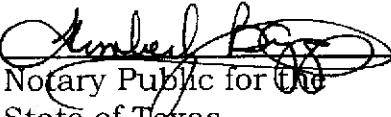
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COUNTY OF TARRANT        §

§

This instrument was acknowledged before me on the 24th day of  
July, 2008, by Kim E. Shelton, vice-president of All-Pro Fasteners,  
Inc., a Texas corporation, on behalf of said corporation.



  
Notary Public for the  
State of Texas

STATE OF TEXAS                §

§

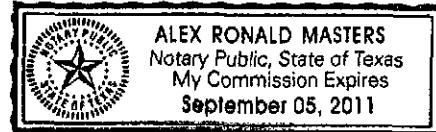
COUNTY OF Tarrant        §

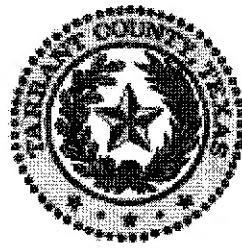
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This instrument was acknowledged before me on the 24th day of  
July, 2008, by Mike Talia Ferro, Vice President of Dale  
Property Services, a Texas Limited Liability, on behalf of said Company.  
Company

  
Notary Public for the  
State of Texas

J4830&Gaddendum(2.543)





DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
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FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 09/08/2008 08:11 AM  
Instrument #: D208347665  
LSE 10 PGS \$48.00

By: \_\_\_\_\_



**D208347665**

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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